

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF JON AND	)	APPEAL NO. 06-A-2091
MARDEE WYMAN from the decision of the Board	)	FINAL DECISION
of Equalization of Ada County for tax year 2006.	)	AND ORDER

**RESIDENTIAL PROPERTY APPEAL**

THIS MATTER came on for hearing October 18, 2006, in Boise, Idaho, before Hearing Officer Sandra Tatom. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Appellant Jon Wyman appeared for Appellants. Chief Deputy Tim Tallman and Appraiser Roderick Stolz appeared for Respondent Ada County. This appeal is taken from a decision of the Ada County Board of Equalization (BOE) denying the protest of the valuation for taxing purposes of property described as Parcel No. R8123001708.

**The issue on appeal is the market value of a residential duplex.**

**The decision of the Ada County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$60,000, and the improvements' valuation is \$98,200, totaling \$158,200. Appellants request the land value be reduced to \$38,000, and the improvements' value reduced to \$90,000, totaling \$128,000.

The subject property is a 1,846 square foot duplex built in 1978 located on a .19 acre lot in Boise, Idaho.

Appellants first noted some shortcomings of subject, such as, no sidewalk or curb, poor windowsill design resulting in water leaks, poor siding needing to be replaced, flashing problems around the chimneys, an uneven and bare backyard area, and other deferred maintenance issues. There was also a partially open, 10-foot wide ditch running along the west edge of subject that was surrounded by thick weeds and brush. Appellants report this portion of the property was unusable and thus detrimental to subject's value. Rent is \$595 per month for each

duplex unit.

Appellants then objected to Respondent's duplex sales because they were different than the sales presented at the BOE hearing. The record was left open after this Board's hearing to give Appellants an opportunity to examine and respond to the new sales.

In a post-hearing submission, Appellants initially challenged Respondent's sale located on subject's street by noting differences from subject, such as, new carpet, vinyl floors, and paint. The sale property also had a fenced yard, skylights, lawn, and commanded a somewhat higher rent. Appellants further claimed no consideration was given to the cost of repairs needed to upgrade subject.

Another duplex sale was contested on the basis that "[t]here is nothing endearing about this [sale] property to justify much in the way of an increase in [the 2006 assessed] value." Appellants claimed it was generally in poorer shape than subject and thus not comparable.

Appellants next questioned the comparability of Respondent's bare land sales. They alleged an inconsistency in the County records regarding the .33 acre lot sale on Columbus Street. The lot sold in November 2005 for \$130,000 or \$9.04 per square foot, however was assessed for \$87,000 or \$6.00 per square foot. Using the latter figure, Appellants calculated subject's land value should be \$49,658.

Appellants similarly considered the lot sale on Roosevelt Street to arrive at a \$40,389 value for subject. It was also argued that this lot was located in a better area than subject, which should have been considered.

Regarding subject land, Appellants asserted that it was assessed inequitably compared to other nearby neighborhoods. It was noted that properties south of Overland Road, where subject is located, were assessed higher than properties north of Overland, despite the arguably

poorer conditions found in the southern neighborhood. Appellants then submitted land assessments for three lots located north of Overland. The lots were larger, yet assessed only a little higher than subject.

Respondent provided three sales of duplex properties located south of Overland near subject. They were similar to subject in terms of size, age, and condition ("average"). Respondent then made adjustments to the sales for differences with the subject. The adjusted prices were between \$93.15 and \$106.50 per square foot. Respondent noted that 2005 was a "record-setting" year in both volume and overall appreciation for rental properties in the local marketplace. The sales data indicated an average 2.2% monthly increase in value for such properties, which inflation factor was used to time-adjust older sale prices. The end result was a value for subject at \$85.70 per square foot.

Bare land sales in subject's area were scarce. Respondent did submit two, 2005 sales located near subject. The lots were .21 and .33 acres and sold for \$12.28 and \$9.04 per square foot respectively. One August 2006 sale was also submitted. It showed a price per square foot of \$17.79.

Respondent reported that subject's neighborhood had been recently "equalized". Regarding lower assessments for properties north of Overland, the County indicated that area was assigned to a different appraiser, and could not offer an opinion or explanation regarding those parcels.

### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in

support of their respective positions, hereby enters the following.

Idaho Code Section 63-201(10) defines market value as follows:

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Appellants argued the duplex sales submitted by Respondent were too dissimilar and should not have been used to value subject. Appellants also contended that the cost of deferred maintenance on subject should have resulted in a lower assessment.

Respondent presented several duplex sales in subject’s area that were similar in size, age, and quality to support the assessment.

Differences in the duplex sales when compared to subject were discussed by Appellants. Respondent however, acknowledged differences and then provided an analysis outlining the adjustments made to reflect for differences. It was noted that 2005 showed a dramatic increase in both the number of rental property sales and prices paid for such properties which was also factored into the analysis. It is well established that sales are the most reliable measure of market value because they represent an agreed upon value arrived at by a willing buyer and willing seller. It appears that differences between the sale properties and subject were considered and reasonable adjustments made to arrive at subject’s assessed value.

Appellants outlined a number of perceived detriments to subject. While there may be merit in these assertions, the data provided by Respondent indicates the sale properties also possess similar amenities as subject or the lack thereof. Property is assessed based on its actual use and condition. Nothing in the record demonstrates that subject was assessed contrary to this standard. It should be noted the cost of improvements, or repairs in the present

case, do not necessarily equate to proportional increases or decreases in value.

Appellants claim the bare lot sales presented by Respondent were not properly used in arriving at subject's land value. To this point, Appellants supplied some per-foot assessment calculations on the sale properties. The assessment comparisons were then applied to arrive at a lower value for subject land. After examining the evidence there appears to be an error in the analysis regarding the .2 acre lot located on Roosevelt Street. Appellants reported the 2006 assessed value was \$44,600, however County records declare the assessment was actually \$60,000. As noted earlier, subject is .19 acres and was assessed for \$60,000.

While the 2006 bare lot sale occurred after the lien date of January 1, 2006 and therefore cannot be considered in a 2006 assessment, it does suggest that property values continue to rise in the area.

Appellants further argued that subject was assessed inequitably compared to properties in other neighborhoods. Respondent explained that subject's area had recently been equalized and provided a neighborhood grid that listed the 2006 assessments.

Some individual irregularities and inequality in taxation will always exist. It is a process which cannot be reduced to an exact science. The law does not require exactitude, but it does require a practical uniformity. Xerox Corporation v. Ada County Assessor, 101 Idaho 138 at 142, 609 P.2d 1129 (1980); Title & Trust Company (Idaho Title Co.) v. Board of Equalization, Ada County, 94 Idaho 270 at 277, 486 P.2d 281 (1971); Anderson's Red & White Store v. Kootenai County, 70 Idaho 260 at 265, 215 P.2d 815 at 818 (1950).

Absolute uniformity in property taxation is an unobtainable goal, the presumption of Constitutionality attaches to taxing decisions, and the objecting party carries the burden of overcoming the presumption. Brammer v. Latah County Assessor, 102 Idaho 437 at 438 (1981).

The Court, however, will grant relief where the valuation fixed by the assessor is manifestly excessive, fraudulent or oppressive; or arbitrary, capricious and erroneous resulting in discrimination against the taxpayer. Roeder Holdings, L.L.C. v. BOE of Ada County, 136 Idaho 809, 41 P.3d 237 (2001); Merris v. Ada County, 100 Idaho 59, 593 P.2d 394 (1979).

The neighborhood grid demonstrated assessments in subject's area and a reasonable uniformity of assessments among the properties located therein. Appellants' contention that another neighborhood was assessed differently is not compelling without more detail and support. There could be any number of factors to explain why one area might be valued differently than another. There does not appear to be anything fraudulent or capricious in the assessment of properties in subject's area. On the contrary, the record in this case clearly demonstrates that property in the area was equally assessed. Accordingly, the Board affirms the decision of the Ada County Board of Equalization.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Ada County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

DATED this 27th day of April 2007.